

FINAL BILL REPORT

SB 5868

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Synopsis as Enacted

Brief Description: Expanding the use of the rural counties public facilities sales and use tax to include affordable workforce housing.

Sponsors: Senators Hawkins, Kuderer, Braun, Fortunato, Lovelett, Nguyen, Nobles, Salomon, Trudeau and Warnick.

Senate Committee on Housing & Local Government
House Committee on Finance

Background: Rural counties may impose a local option sales and use tax up to 0.09 percent. The tax is credited against the state's 6.5 percent sales tax, and the consumer does not see an increase in the amount of the tax paid. The tax may be imposed by the legislative body and does not require voter approval. The tax expires after a maximum of 25 years. Rural counties that imposed the tax at the 0.09 percent rate before August 1, 2009, may impose the tax for 25 years from the date the county first imposed the tax at the 0.09 percent rate.

Revenues from the local option tax may only be used to finance public facilities serving economic development purposes and pay for personnel in economic development offices. Public facilities are those listed as an item in a county's officially adopted, overall economic development plan, the economic development section of the comprehensive plan, or listed in the capital facilities plan. Economic development purposes are those which facilitate the creation or retention of businesses and jobs in a county.

Summary: Moneys collected for public facilities in rural counties may be used to provide affordable workforce housing infrastructure and facilities. Affordable workforce housing infrastructure or facilities includes housing infrastructure or facilities that a qualifying provider uses for a single person, family, or unrelated persons living together whose income is no more than 120 percent of the median income, adjusted for housing size, for the county where the housing is located. A qualifying provider is a nonprofit entity, qualified cooperative association, housing authority, public corporation, county, or municipal

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Votes on Final Passage:

Senate	41	8	
House	68	28	(House amended)
Senate	43	6	(Senate concurred)

Effective: June 9, 2022